



2011 General Reassessment

Department of Local Government Finance

Barry Wood

Assessment Division Director

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2011 General Reassessment

Course Outline

- I. General Concepts of Reassessment**
- II. Indiana Code Citations**
- III. Key Points to Consider**
- IV. Work Plan**
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General Concepts of Reassessment

- ❖ **Purpose:** To produce accurate and uniform values throughout an assessment jurisdiction and across all classes of property.
- ❖ **Place:** Real property is assessed at the place where it is situated. Per IC 6-1.1-2-4 (b) and (c), real property is assessed to the person liable.
- ❖ **DLGF Oversight:** Per IC 6-1.1-4-31(a), the Department shall periodically check the conduct of a general reassessment of property.



General Concepts of Reassessment

- ❖ ***DLGF Oversight:*** Per IC 6-1.1-4-31(a), the Department shall periodically check the conduct of a general reassessment of property.
- ❖ ***Reassessment Principles:*** The Indiana Constitution, the statutes of the Indiana General Assembly, and case law by the Indiana Courts (including the Indiana Tax Court and the Indiana Supreme Court) are the foundation of the reassessment. It does not ensure absolute and precise exactitude as to the uniformity and equality of each individual assessment.



IC 6-1.1-4-4

- **Schedule of general reassessment of real property; notice (Emphasis added)**

Sec. 4. *(b) A general reassessment, involving a physical inspection of all real property in Indiana, shall begin July 1, 2009, and each fifth year thereafter.* Each reassessment under this subsection:

(1) shall be completed on or before March 1 of the year that succeeds by two (2) years the year in which the general reassessment begins; and

(2) shall be the basis for taxes payable in the year following the year in which the general assessment is to be completed.



IC 6-1.1-4-13.6

- **Submission of values to county property tax assessment board of appeals; review (Emphasis Added)**

Sec. 13.6. (a) Not later than November 1 of the year preceding the year in which a general reassessment becomes effective, the assessor determining the values of land shall submit the values to the county property tax assessment board of appeals. Not later than December 1 of the year preceding the year in which a general reassessment becomes effective, the county property tax assessment board of appeals shall hold a public hearing in the county concerning those values.



IC 6-1.1-4-13.6 (continued)

- Submission of values to county property tax assessment board of appeals; review (Emphasis Added)

Sec. 13.6. (b) *The county property tax assessment board of appeals shall review the values submitted under subsection (a) and may make any modifications it considers necessary to provide uniformity and equality. The county property tax assessment board of appeals shall coordinate the valuation of property adjacent to the boundaries of the county with the county property tax assessment boards of appeals of the adjacent counties* using the procedures adopted by rule under IC 4-22-2 by the department of local government finance.



IC 6-1.1-4-13.6 (continued)

- Submission of values to county property tax assessment board of appeals; review (Emphasis Added)

Sec. 13.6. (b) If the county assessor fails to submit land values under subsection (a) to the county property tax assessment board of appeals before November 1 of the year before the date the general reassessment under section 4 of this chapter becomes effective, the county property tax assessment board of appeals shall determine the values. If the county property tax assessment board of appeals fails to determine the values before the general reassessment becomes effective, the department of local government finance shall determine the values.



IC 6-1.1-4-15

- **Appraisal; examination of buildings (Emphasis Added)**

Sec. 15. (b) In order to determine the assessed value of buildings and other improvements, *the township or county assessor or the assessor's authorized representative may, after first making known the assessor's or representative's intention to the owner or occupant, enter and fully examine all buildings and structures which are located within the township or county and which are subject to assessment.*



IC 6-1.1-4-16

■ Assessors' assistants; appropriation

Sec. 16. (a) For purposes of making a general reassessment of real property or annual adjustments under section 4.5 of this chapter, a township assessor (if any) and a county assessor may employ:

(1) deputies;

(2) employees; and

(3) technical advisors who are:

(A) qualified to determine real property values;

(B) professional appraisers certified under 50 IAC 15; and

(C) employed either on a full-time or a part-time basis,

subject to sections 18.5 and 19.5 of this chapter.

(b) The county council of each county shall appropriate the funds necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section.



IC 6-1.1-4-17

- Professional appraisal; approval by department of local government finance (Emphasis Added)

Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a county assessor may employ professional appraisers as technical advisors for assessments in all townships in the county.

The department of local government finance may approve employment under this subsection only if the department is a party to the employment contract.

(b) A decision by a county assessor to not employ a professional appraiser as a technical advisor in a general reassessment is subject to approval by the department of local government finance.

(c) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.



IC 6-1.1-4-18.5

- Professional appraisal; contract for services; bids required (Emphasis Added)

Sec. 18.5. (a) A county assessor may not use the services of a professional appraiser for assessment or reassessment purposes without a written contract. The contract used must be either a standard contract developed by the department of local government finance or a contract that has been specifically approved by the department. The department shall ensure that the contract:

(1) includes all of the provisions required under section 19.5(b) of this chapter; and

(2) adequately provides for the creation and transmission of real property assessment data in the form required by the legislative services agency and the division of data analysis of the department.



IC 6-1.1-4-18.5 (continued)

- **Professional appraisal; contract for services; bids required (Emphasis Added)**

Sec. 18.5. (b) No contract shall be made with any professional appraiser to act as technical advisor in the assessment of property, before the giving of notice and the receiving of bids from anyone desiring to furnish this service. Notice of the time and place for receiving bids for the contract shall be given by publication by one (1) insertion in two (2) newspapers of general circulation published in the county and representing each of the two (2) leading political parties in the county. If only one (1) newspaper is there published, notice in that one (1) newspaper is sufficient to comply with the requirements of this subsection. The contract shall be awarded to the lowest and best bidder who meets all requirements under law for entering a contract to serve as technical advisor in the assessment of property. However, any and all bids may be rejected, and new bids may be asked.



IC 6-1.1-4-18.5 (continued)

- Professional appraisal; contract for services; bids required
(Emphasis Added)

Sec. 18.5. (c) The county council of each county shall appropriate the funds needed to meet the obligations created by a professional appraisal services contract which is entered into under this chapter.



IC 6-1.1-4-19.5

- **Professional appraisal; contract deadline; department of local government finance a party to the contract (Emphasis Added)**

Sec. 19.5. (a) The department of local government finance shall develop a standard contract or standard provisions for contracts to be used in securing professional appraising services.

(b) The standard contract or contract provisions must contain:

(1) a fixed date by which the professional appraiser or appraisal firm shall have ***completed all responsibilities under the contract;***

(2) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

(3) a provision requiring the appraiser, or appraisal firm, to make ***periodic reports*** to the county assessor;



IC 6-1.1-4-19.5 (continued)

- Sec. 19.5. ***(b) The standard contract or contract provisions must contain:***
 - (4) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (3) of this subsection are to be made;
 - (5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;***
 - (6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance;



IC 6-1.1-4-19.5 (continued)

Sec. 19.5. *(b) The standard contract or contract provisions must contain:*

(7) a provision stipulating that the legislative services agency and the department of local government finance have ***unrestricted access to the contractor's work product under the contract***; and

(8) a provision stating that the department of local government finance is a party to the contract.

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to this chapter.



IC 6-1.1-4-20

- **Professional appraisal; contract deadline (Emphasis Added)**

Sec. 20. The department of local government finance may establish a period with respect to each general reassessment that is the only time during which a county assessor may enter into a contract with a professional appraiser. *The period set by the department of local government finance may not begin before January 1 of the year the general reassessment begins. If no period is established by the department of local government finance, a county assessor may enter into such a contract only on or after January 1 and before April 16 of the year in which the general reassessment is to commence.*



IC 6-1.1-4-21

■ Appraisal completion date; reporting requirement (Emphasis Added)

Sec. 21. (a) If, during a period of general reassessment, a county assessor personally makes the real property appraisals, the appraisals of the parcels subject to taxation must be completed as follows:

(1) The appraisal of one-fourth (1/4) of the parcels shall be completed before December 1 of the year in which the general reassessment begins.

(2) The appraisal of one-half (1/2) of the parcels shall be completed before May 1 of the year following the year in which the general reassessment begins.

(3) The appraisal of three-fourths (3/4) of the parcels shall be completed before October 1 of the year following the year in which the general reassessment begins.



IC 6-1.1-4-21 (continued)

- **Appraisal completion date; reporting requirement (Emphasis Added)**

Sec. 21. (a) If, during a period of general reassessment, a county assessor personally makes the real property appraisals, the appraisals of the parcels subject to taxation must be completed as follows:

(4) The appraisal of all the parcels shall be completed before March 1 of the second year following the year in which the general reassessment begins.



IC 6-1.1-4-21 (continued)

■ Appraisal completion date; reporting requirement (Emphasis Added)

Sec. 21. (b) If a county assessor employs a professional appraiser or a professional appraisal firm to make real property appraisals during a period of general reassessment, the professional appraiser or appraisal firm must file appraisal reports with the county assessor as follows:

(1) The appraisals for one-fourth ($1/4$) of the parcels shall be reported before December 1 of the year in which the general reassessment begins.

(2) The appraisals for one-half ($1/2$) of the parcels shall be reported before May 1 of the year following the year in which the general reassessment begins.



IC 6-1.1-4-21 (continued)

■ Appraisal completion date; reporting requirement (Emphasis Added)

Sec. 21. (b)

(3) The appraisals for three-fourths (3/4) of the parcels shall be reported before October 1 of the year following the year in which the general reassessment begins.

(4) The appraisals for all the parcels shall be reported before March 1 of the second year following the year in which the general reassessment begins. However, the reporting requirements prescribed in this subsection do not apply if the contract under which the professional appraiser, or appraisal firm, is employed prescribes different reporting procedures.



IC 6-1.1-4-22

■ Amounts of assessment or reassessment; notice (Emphasis Added)

Sec. 22. (a) If any assessing official assesses or reassesses any real property under this article, the official shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment or reassessment.

(b) During a period of general reassessment, each township or county assessor shall mail the notice required by this section within ninety (90) days after the assessor:

- (1) completes the appraisal of a parcel; or
- (2) receives a report for a parcel from a professional appraiser or professional appraisal firm.



IC 6-1.1-4-27.5

■ **Property reassessment fund; tax levies; petition to increase levy; appeal**

Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county levies for the county's property reassessment fund.

(b) With respect to the general reassessment of real property that is to commence on July 1, 2009, the county council of each county shall, for property taxes due in 2006, 2007, 2008, and 2009, levy in each year against all the taxable property in the county an amount equal to one-fourth ($1/4$) of the remainder of:

(1) the estimated costs referred to in section 28.5(a) of this chapter; minus



IC 6-1.1-4-27.5 (continued)

■ **Property reassessment fund; tax levies; petition to increase levy; appeal**

Sec. 27.5. (b) (2) the amount levied under this section by the county council for property taxes due in 2004 and 2005.

(c) With respect to a general reassessment of real property that is to commence on July 1, 2014, and each fifth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the four (4) years preceding that year, levy against all the taxable property in the county an amount equal to one-fifth ($1/5$) of the estimated costs of the general reassessment under section 28.5 of this chapter.

(d) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.



IC 6-1.1-4-27.5 (continued)

- **Property reassessment fund; tax levies; petition to increase levy; appeal**

Sec. 27.5. (e) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

- (1) a general reassessment; or
 - (2) making annual adjustments under section 4.5 of this chapter;
- has changed.



IC 6-1.1-4-27.5 (continued)

- **Property reassessment fund; tax levies; petition to increase levy; appeal**

Sec. 27.5. (f) The county assessor may petition the county fiscal body to increase the levy under subsection (b) or (c) to pay for the costs of:

- (1) a general reassessment;
- (2) verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or
- (3) processing annual adjustments under section 4.5 of this chapter.

The assessor must document the needs and reasons for the increased funding.



IC 6-1.1-4-27.5 (continued)

- **Property reassessment fund; tax levies; petition to increase levy; appeal**

Sec. 27.5. (g) If the county fiscal body denies a petition under subsection (f), the county assessor may appeal to the department of local government finance. The department of local government finance shall:

- (1) hear the appeal; and
- (2) determine whether the additional levy is necessary.



IC 6-1.1-4-28.5

■ Property reassessment funds; use of money; soil maps (Emphasis Added)

Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

- (1) the general reassessment of real property, including the computerization of assessment records;
- (2) payments to assessing officials and hearing officers for county property tax assessment boards of appeals under IC 6-1.1-35.2;
- (3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;



IC 6-1.1-4-28.5 (continued)

- **Property reassessment funds; use of money; soil maps (Emphasis Added)**
Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:
 - (4)** the updating of plat books;
 - (5)** payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist assessing officials;
 - (6)** making annual adjustments under section 4.5 of this chapter; and
 - (7)** the verification under 50 IAC 21-3-2 of sales disclosure forms forwarded to:
 - (A)** the county assessor; or
 - (B)** township assessors (if any);**under IC 6-1.1-5.5-3.**



IC 6-1.1-4-28.5 (continued)

- Property reassessment funds; use of money; soil maps (Emphasis Added)
Money in a property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purposes other than those set forth in this section.
 - (b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.
 - (c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund. Any interest received from investment of the money shall be paid into the property reassessment fund.
 - (d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with a township assessor in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section.



Key Points to Consider

- ❖ The first reassessment action required by statute is contracting for the services of a professional appraiser, executed between January 1, 2009 and April 16, 2009, if the county chooses to use a third party appraiser.
NOTE: Effective July 1, 2008, the DLGF is party to all contracts.
- ❖ The county may choose not to contract for services and perform the reassessment with in-house staff, but that decision must be approved by the Department.
- ❖ Counties planning to perform the reassessment with in-house staff are asked to advise the Department as soon as possible.



Key Points to Consider (continued)

- ❖ IC 6-1.1-4-4 requires the general reassessment of all property in the state to begin July 1, 2009, with completion on or before March 1, 2011 (for taxes payable in 2012).
- ❖ IC 6-1.1-4-21 sets forth the dates by which twenty-five percent (25%) each of all parcels in the county must have appraisals completed:
 - ❖ December 1, 2009,
 - ❖ May 1, 2010,
 - ❖ October 1, 2010
 - ❖ March 1, 2011.
- ❖ During this period, the county assessor must submit land values to the PTABOA no later than November 1, 2010, and the PTABOA shall no later than December 1, 2010 hold a public hearing concerning those values. (IC 6-1.1-4-13.6).



Example Work Plan

- ❖ A work plan establishes key dates or benchmarks for work to be completed, ensuring timely completion of the reassessment. It is suggested to start with the end first, and work backwards. The dates (benchmarks) should be realistic and obtainable.



Example Work Plan (continued)

- ❖ January 1, 2009: First day to enter into contract for reassessment services with a professional appraiser.
- ❖ April 15, 2009: Last day to enter into a contract for reassessment services with a professional appraiser.
- ❖ July 1, 2009: The 2011 General Reassessment commences.
- ❖ December 1, 2009: Twenty-five percent (25%) of all parcels in the county must have appraisals completed.
- ❖ May 1, 2010: An additional twenty-five percent (25%) of all parcels (or half [50%]) in the county must have appraisals completed.



Example Work Plan (continued)

- ❖ October 1, 2010: An additional twenty-five (25%) of all parcels (or seventy-five percent [75%]) in the county must have appraisals completed.
- ❖ November 1, 2010: The County Assessor shall submit land values to the PTABOA.
- ❖ December 1, 2010: The PTABOA shall hold a public hearing concerning the land values (uniformity and equity).
- ❖ March 1, 2011: On or before this date, all parcels (one hundred percent [100%]) in the county must have appraisals completed. Notice shall also be given to the taxpayer of any change in the assessed value.



Example Work Plan

- ❖ For each task, there should be a corresponding detailed set of duties required to accomplish it, and a realistic timeframe. For example, if your county decides to utilize a vendor for the reassessment, the work plan should include the various steps in the contract process. This might include:
 - ❖ Define scope of services needed (November 2008)
 - ❖ Work with the County Commissioners and County Council on funding issues (November/December 2008)
 - ❖ Put out a Request for Proposal (RFP) (January 2009)
 - ❖ Select a vendor (February 2009)
 - ❖ Work with the County Attorney (and utilize the DLGF's Model Reassessment Contract) on entering into a contractual agreement with the vendor (March 2009)
 - ❖ Sign the contractual agreement (April 2009)



2011 Reassessment Rule and Manual

- ❖ 2011 Reassessment Rule:
(www.in.gov/dlgf/files/Adopted_2011RealPropertyAdministrativeRule_50_IAC_2.4.pdf).
- ❖ 2011 Reassessment Manual:
www.in.gov/dlgf/files/Adopted_2011RealPropertyAssessmentManual.pdf.
- ❖ The valuation date for the 2011 general reassessment is March 1, 2011. The assessing official shall use sales of properties occurring the two (2) calendar years preceding the March 1, 2011 assessment date. Sales occurring before or after the valuation date shall be trended if appropriate, in accordance with the International Association of Assessing Officers (IAAO) standard.



Equalization and Ratio Studies

- ❖ 50 IAC 14 (Equalization Standard) – see <http://www.in.gov/legislative/iac/T00500/A00140.PDF?>
- ❖ The Department is in the process of updating 50 IAC 14 and it is expected the rule making process will commence in the first quarter of 2009.
- ❖ The purpose of equalization is to establish procedures and standards in the adjustment of assessed valuations under IC 6-1.1-13 to attain a just, equal, and uniform basis and level of assessment among taxpayers in a county and from county to county.



Equalization and Ratio Studies

- ❖ 50 IAC 14 (Equalization Standard) – see <http://www.in.gov/legislative/iac/T00500/A00140.PDF?>
- ❖ County assessors shall perform equalization before tax bills are sent based on values generated by a general reassessment.
- ❖ Using the data described in 50 IAC 14-8 and 50 IAC 14-9, the department of local government finance may propose to equalize valuations in any county, between counties, or in the state as a whole, in any one (1) or more of the classes of property listed in 50 IAC 14-5. The department of local government finance shall issue notice and provide opportunity for a hearing in accordance with IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing a final equalization order.



Contact The Department

- ❖ Barry Wood
 - ❖ Telephone: 317.232.3762
 - ❖ Fax: 317.232.8779
 - ❖ E-mail: Bwood@dlgf.in.gov
- ❖ Web site: www.in.gov/dlgf
- ❖ “Contact Us”:
www.in.gov/dlgf/2338.htm